

EXHIBIT B



MARINE SURVEYOR

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Capt. Norm LeBlanc Inc.

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Vessel Condition Survey

Prepared For: Milagro Yacht Charters LLC

2954 North Bay Rd

Miami Beach, FL 33140

Vessel Name: Utopia II 116' Feadship Motoryacht 1970/2007

Survey Date: March 16, 2016 Yacht Appraisal Report only

VESSEL INFORMATION

Date of Survey 3/16/2016 File # 16PAP316
 Client Milagro Yacht Charters LLC.
 Vessel Name Utopia II Hail Port Wilmington, DE
 Hull No. (HIN) #600 Model Year 1970/2007
 L.O.A. 116' 2" Beam 22' 8" Draft 6' 6"
 Propulsion Twin SC Naturally aspirated marine diesels and twin 65KW generator plants
 Document/Reg 529074 Net Tons 51 Gross Tons 172
 Notes Custom design/build Feadship /DeVries, Aalsmeer, Netherlands
 Estimated Value (US Dollars) as appraised \$4,930,000.US(see breakdown)
 Replacement Value (US Dollars) Over \$37 MillionUS
 Surveyed At Miami Beach
2954 North Bay Rd.
Miami Beach, FL
 While Vessel Was afloat only

HULL CONSTRUCTION DETAILS

Material Steel Thickness of Planking varied
 Framing Size & Material 2.5"x3.25"x5/15" L on 18" Centers
 Deck Beams Size & Material 2.375"x1.5"x.325"L on 18"Centers
 Decking Alu/Teak Bottom Steel Keel Steel Skegs Steel
 Stem Type Raked Stern Type Canoe style
 Bulkheads Twelve Location thru out
 Hull Ventilation good Bilge Ventilation good
 Hatches Foredeck Opening Ports Many Deck Hatches Foredeck
 Cockpit Type Enclosed Lazarettes Fwd/aft Seating Aft bridge/cabins
 General Condition of Topsides good, White all
 General Condition of Decking good, White w/Teakwood decks
 General Condition of Bilges good all areas

MACHINERY SPACES & UNDERWATER MACHINERY

Shaft Size 95mm Material stainless steel Zincs 30 Hull
 Prop. Size na Blades 4each Material bronze Condition na
 Strut Material Steel Condition na Bearing na
 Rudder Material Steel Condition na Zincs good all
 Engine Stuffing Box Steel/bronze glands
 Engine Location mid bilges Fuel Type Diesel Model#16V71N
 Turbo/Natural Natural Engine Alarm each
 Single/Twin twin Make GM # Cyl's. 16each Rated HP 460e
 Port S.N. 16va04837 Hours na Trans. S.N. NL Make TD521
 Stbd. S.N. 04836 Hours na Trans. S.N. NL Ratio 3/1
 Flame Arrest. na Cond. na Eng. Mounts 12 Cond. good
 Bilge Blower two Condition good
 Exhaust Piping Pipe/Hose/Muffler Condition good Cooling System FWC
 Bilge Pumps 24v/220v Located thru out
 Pumps Working? good each Auto Switches? each

STEERING SYSTEMS

Description: Main pilothouse helm and upper deck portside station hydraulic emergency tiller

HEATING & AIR CONDITIONING

A.C. / Heater Make Cruisaire/Tecnicol Model Chilled systems thru out
 Location thru out Four 5 Ton compressors Beard Marine
 Condition good all systems Galley Vents yes
 Opening Ports Many Leaks? not Hatches Fwd Leaks? not

ELECTRICAL SYSTEM

Gen. Make 2 Northernlights Output 65KW each Serial # not legible
 Hours 4282 Fuel diesel Cooling FWC each
 # Batteries 12 Volts 24v Location engine room
 Condition approved systems
 Batt. Switch Located engine room Working? each
 Battery Charger Make/Model Acme/Sentry/AIG Amps 100
 Shore Power 240v Amps 100 # Outlets two Location fwd/aft
 Vessel Wiring 240/120/24volts Condition updated all
 Main Panel Type 90%breakers Location helm/panel Condition good

GALLEY

Appliance(s) Location Below main galley/salon Day galley complete
 Stove Type Vulcan ovens/burners/grills/cooktops etc.
 Propane Tank Location None Is Woodwork Protected? Vented
 Tubing Type na Location _____
 Shut-Off Type Switches Location in line Condition not operated
 Pressure Water yes Hot Water yes Tank Make/Model 2-50gallon 240v
 Condition of Tank, Plumbing, Wiring good, Steel valves all
 Refrigerator Make & Model Foster freezers/fridge reefers/ice makers
 Location Galley/Salon/crew Condition good all
 Water Heater 100gallon Fuel 240v only Location Port engine room

TANKAGE SYSTEMS**Fuel**

Fuel Type Diesel No. 8 Capacity 7500 Location mid/aft
 Shape Odd Material Steel Condition good each
 Secured By welded Bonded each Lines & Vents copper/hose
 Overboard Overflow? yes Location sides
 Shut-Off Valves on Tanks? yes Accessibility good

Water

Number One Shape Odd Capacity 1800 Location mid
 Material Steel Condition good

SAFETY EQUIPMENT

Ring Four Whistle Kahlenberg Bell One
 Flares Ten Flare Gun Four # Rounds Ten
 PFD's Twenty min
 Bow Teakwood caprails Stern SS/teakwood
 Lifelines Enclosed Gates Five
 Handrails SS Ext. Pulpit na

FIRE FIGHTING EQUIPMENT**Portable**

<u>Location</u>	<u>Type</u>	<u>Charged?</u>	<u>Date</u>	<u>Comments</u>
Mid galley	BC5#	yes	2016	good
Crew	BC5#	yes	2016	good
each cabin	BC5#	yes	2016	good
Bridge deck	BC5#	yes	2016	good
Guest cabins	BC5#	each	2016	good
Salon	BC5#	yes	2016	good

Fixed

Type CO2 system Location Engine room tank in Funnel
FireRanger
 Charged? yes Dated 2016 Sniffer? na Make _____
 Bilge Temp. Alarm yes Bilge Level Alarm yes Engine Alarm each

GROUND TACKLE

Type Navy Size 180kg Rode _____ Chain 300'min
 Type Navy Size 200kg Rode _____ Chain 400'min
 Dock misc lengths and fenders
 Lines _____

MARINE SANITATION DEVICE

No. Eight Manual/Electric Electric Thru-Hulls w/macerator
 "Y" Valve each Holding Tank Steel Location thru out

ELECTRONICS & SPECIALIZED EQUIPMENT

	<u>Make</u>	<u>Model</u>	<u>Notes</u>
Compass	2 Ritchie/Platt	5"/4"	good each
VHF Radio Telephone	Hor/Std	AIS	good
VHF Radio Telephone	Horizon	Ram3	good
Depth	Furuno	RD30	good
Loran			
Radar	2 Furuno	both 72NM	good each
GPS	2 Northstar	952X plus	good each
Auto Pilot	Simrad	AP50	good
SSB	Furuno	FS4001	good
Knot Log			
Wind Inst.			
Windlass	Reid & Sons	foredeck	good
AIS	Furuno	FA-150	good
Stereo	see list		

RIGGING & SAILS

Masts One Rig Nav Type alum Boom na Type alum
 Standing Rigging _____ Running Rigging _____
 Deck Winches _____ Mfg. By _____
 Mast Winches _____ Winch Handles _____
 Main Sails _____ Jibs _____
 Mizzen _____ Genoa _____
 Spinnakers _____ Sail Covers _____ Dodgers _____
 Awnings _____ Spinnaker Poles _____

MISC. EQUIPMENT

See attached equipment and inventory list for . This report will not include a complete vessel inventory.

This yacht appraisal for tax purposes only is privileged and confidential for Milagro Yacht Charters LLC.

This report is not intended as a survey of the vessel.

SEA TRIAL

<u>Port Engine RPM</u>	<u>Est. Speed</u>	<u>Volts</u>	<u>Amps</u>	<u>Temp.</u>	<u>Comments</u>
visual only					good

<u>Stbd. Engine RPM</u>	<u>Est. Speed</u>	<u>Volts</u>	<u>Amps</u>	<u>Temp.</u>	<u>Comments</u>
visual only					good

Genset Operation	<u>each visual only/good each</u>
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GENERAL DESCRIPTION

This vessel is further described as a custom design and build 116' Motoryacht that was first built in 1970, continual upgrading and refit in 2006/2007 at a cost of \$4,800,000.US. The vessel was designed by Naval architects DeGoot and Voss and custom build by Devries Shipyards under marketing of Feadship Yachts in Aalsmeer, Netherlands. The vessel was built of cold rolled steel and welded alloys thru out for hull and Aluminum superstructure deck/bridge/cabin exterior. The vessel has the builders cert/builder #600-1970 and previous US registry/doc#529074. Labor hours to build are estimated at 78,500.man hours. The vessel is powered by a pair of 16 cylinder each,naturally aspirated and super charged, marine diesel inboards rebuilt entirely 2006/2007. The ships generator plants were also replaced 2006/2007 with larger amperage capacity 65KW each 220v/100amp each units. An exceptional build/design motoryacht that has been professionally maintained including present with a crew of four to eight with cabin/berths for each as minimum. This was an appraisal only and this report should not be construed as a survey of the vessel.

VESSEL CONSTRUCTION

The hull of this 116' motoyacht is built of welded Steel plating thru out with massive internal floors/frames/stringers/bonded bulkheads/engine beds. All below waterline thru hull fittings are marine approved Marine alloys. The vessel has several crash/watertight bulkheads. The engine drive system underwater(not observed) is SS shafting, steel struts and propellers with SS

rudder stocks and Welded steel stabilizer systems. Upper cabin exterior, cockpit enclosure and pilothouse are built of welded aluminum plating with aluminum floors/deck beams and supports and heavy teakwood layed decks. The Flybridge section was built of welded aluminum plating and supports. In addition added safety factor on 4 crash/watertight bulkheads. The cabin ports(windows) and hatches are high quality for commercial/offshore use. The vessels interior is finished out with matched grain/tree veneer/ panels, marine plywoods and solid trimwoods thru out. All overheads are veneers/vinyls. Yacht finishes and yacht quality thru out. The vessels plumbing, wiring and tankage are to safety codes and to ABYC/NFPA/USCG requirements thru out.

VESSEL LAYOUT

The layout of this 116' Canoe stern motoryacht is as follows; Raised bulwarks all around main deck and with anchor windless and aft deck Port and Starboard warping winches. Aft enclosed lounge area plush and fwd starboard side bar area then mid double doors into main salon with lounge area sofas/chairs and entertainment with fwd formal dining area and lavish serving area and galley for same. Starboard aft salon stairwell leading below and aft with straight across guest cabin with twin berths, lockers and aft head and shower. Moving fwd to owners suite with Queen mid, lockers and aft starboard side head and shower. Going aft further to large aft cabin with twin raised berths outboard, lockers, storage and starboard fwd head and shower. Back to main salon and fwd starboard walkthru passing day galley then Captains cabin with double berth, dresser/desk and head w/shower. Fwd further at side entry way to starboard then steps to pilothouse operations center with side door portside to main deck. Fwd further passing lower steps to fwd area library/lounge with aft head area Next stairwell/steps leading below decks with aft full galley and mid access to huge engine room. Fwd from galley crew dinette/lounge area and washer/dryer opposite. Fwd crew cabins with bering for six with two heads and showers. Foredeck with anchor windless, dunnage boxes and seating. Very lavish over all design, very functional extended range motoryacht. When fully loaded the vessel carries in excess of 7,500 gallons of fuel oil in todays dollars valued at \$35,000.US.

VESSEL INSPECTION

This was a yacht appraisal inspection and report for tax purposes only. This report is not intended as a survey of the vessel. The purpose of this inspection was to ascertain a value as found of the vessel. All accessible areas thru out were inspected. The vessel was only inspected while afloat and docked in a canal in Miami,Fl. All equipment was not observed, tested nor operated. This report does not include a complete vessel inventory. The engines and gen-sets were visually inspected and briefly operated. The engines did not have any compression test nor fluid samples taken nor requested. This inspection was performed to ABYC/NFPA/USCG requirements. The statements contained in this report are true and correct to the best of my abilities. I have no personal or future interest in this vessel. My compensation is not based on any given values but for actual time in inspecting and writing of this detailed appraisal.

No other parties have provided any significant assistance with my appraisal of this vessel. My value is based on facts and comparable vessels and I have no knowledge of any Bargain sale or issues in regards to this vessel. I have only inspected the vessel for an appraisal value this was not a survey of the vessel.

VESSEL VALUE

The current appraised value of this 116' vessel as found, as equipped, as professionally maintained is at \$4,930,000.US. The vessels replacement value in todays market would be in excess of \$37,000,000.US. The valuation was based on my own over 50+ years expereince working in the marine industry and with over 30 years as a marine surveyor, see summary attached. The estimated build hours for this large vessel is 78,500 man hours for labor only, then valuation of all components as well, see list further in this report. This custom designed and custom built motoryacht will not be found in any value guides. Yachtworld/soldboats.com for comparable/similar/like vessel as follows; 120' Westship \$10,600,000.US. 110'Feadship for \$5,500,000.US 115' Feadship \$10,300,000.US. 118' Cantieri \$11,900,000.US. IRS guidelines require comparable/like smililar vessels, depreciation and valuation breakdown. See appraisal value full breakdown next pages. See also attached summary of my qualifications.

CORRECTIONS, NOTES, & RECOMMENDATIONS

" Utopia II" vessel valuation breakdown as follows;

Labor/man hours to build(not including refit cost) \$2,200,000.US

1=Hull, stringers/floors/bulkheads;

Struts;

Shafts;

ER beds;.

Propellors;

Rudders;.

Steering;.

Stabilizers/outbd;

Ports hull windows;.

Finishes; .

Sub total= \$625,000.US

2=Deck/Superstructure;

Flybridge;

Safety; .

Ports windows;.

Caprails; .

Mast/navlights;.

Cabin entry doors; .

Exterior finishes; .

Sub total= \$474,000.US

3=Pilothouse console/int;

Seating/lounges;

Nav-aids inside;

Hydraulic controls;

Sub total= \$175,000.US

4=Cabin interior;

Custom woods;

Raised panels/trim;.

Fixtures;

Cabin soles;

Finishes;.

Sub total= \$666,000.US

5=Head(toilets)showers;

AC/heat duct/systems;

Tankage/plumbing systems;

Sub total= \$225,000.US

ALL REPORTS ARE BASED ON A.B.Y.C. CODES AND RECOMMENDATIONS

6=Electrical systems;
Twin generator units;
Transformers;
Batteries/systems;

Sub total= \$350,000.US

7=Machinery;
Twin engines;
Gearboxes;

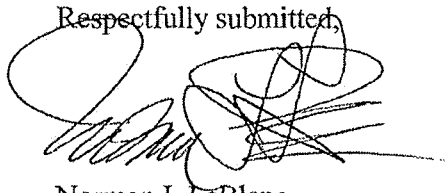
Sub total= \$215,000.US

Vessel appraisal total value as noted \$4,930,000.US not including any insurance cost, dockage, crew cost/wages/fees.

This report is based on over thirty years experience in the marine industry and as a Charter-member #31 of the Society of Accredited Marine Surveyors as AMS and a member of the American Boat & Yacht Council.

The enclosed are my considered opinions, given without prejudice, I cannot be responsible for any errors, omissions, or mistakes in my judgment and acceptance of this report constitutes acceptance of that condition.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Norman L. LeBlanc', with a large, stylized flourish extending from the end of the signature.

Norman L. LeBlanc,
Yacht Surveyor

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SUMMARY OF MY QUALIFICATIONS

More than fifty years of wide, varied and responsible marine industry experience in both power and sailboats from 13' to 160'. A full time yacht/marine surveyor from 1985 to present. Owned and previously owned many power and sailboats from 13' to 46'.

Experience consists of technical service, power and sail brokerage, marine factory representation and boatbuilding facility inspections. Corporate and private yacht captain, yacht deliveries, sailmaker production loft manager, boatyard general manager, yacht rigger, floating/fixed dock builder/designer.

Knowledge of all facets of hull components, wiring, plumbing, tankage, thru hull fittings, drive train systems, fastners, bondings, fiberglass lay-up, hull to deck joints, keels, power plants, generators, and other areas of boat construction in wood, metals and fiberglass to safety codes and to ABYC/NFPA/USCG/CFR requirements.

Professional experience evaluating and inspecting boat builder and manufacturing facilities at the following; Alden, Able Yachts, Island Packet, Hinckley, Bristol, Delta Marine, Catalina- Morgan, Hunter, Pearson, Islander, Sea Ray, Boston Whaler, Shamrock, Shannon Yachts, Westship, Palmer-Johnson Yachts, Sabre Yachts, Lyman-Morse, Paceship, Little Harbor, BlackWatch, Nauset, Block Island 40, Viking, Dyer, and many Maine boat builders.

Yacht appraisals; Since 1974 I have been involved in marine appraisals for Tax purposes, IRS audits, Estates, divorces, Yacht donations. In 1986 worked with IRS agents and Tax Attorneys to formulate an approach and format for acceptance and use for appraisals. Since that time many have tried to use my format. Breakdown of appraisals is my field of expertise and has been tested in courts and IRS hearings with great success.

Strong mechanical aptitude and training at OMC/Mercruiser schools and parts and service management, extensive experience in the operation, maintenance and repair of gas and diesel marine engines and outboard motors. Constant upgrading of boatbuilding methods and materials. Yearly upgrades and attending of seminars on boatbuilding, repairs, new products and techniques and latest in safety codes and builders standards. Have attended numerous IBEX boatbuilder seminars.

Memberships; SAMS, charter member #31, SMS (senior marine surveyor), ABYC, PCYC, Past-President SAMS 2006/2007, BOD SAMS for